



AJCON GLOBAL
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Market wrap

May 14, 2018

Benchmark indices remain flat; investors turn cautious ahead of Karnataka election verdict..

The markets ended flat ahead of Karnataka election outcome, which will be known on Tuesday. The S&P BSE Sensex settled at 35,557 up 21 points while the broader Nifty50 index ended at 10,806, up 0 points

Meanwhile, shares of mid-and small-cap companies were under pressure with 68 stocks from these indices hitting their respective 52-week lows on the BSE in intra-day trade on Monday. Dena Bank, Oriental Bank of Commerce, IDFC Bank, IFCI and UCO Bank from the banks and financials, Anant Raj Industries, Atlanta, Housing Development and Infrastructure (HDIL), Hindustan Construction Company (HCC), Patel Engineering and Punj Lloyd from the construction and infrastructure sector hit 52-week low.

In key results, Abbott India, Hindustan Unilever, Dr. Lal PathLabs, Britannia Industries, Lupin, Hindalco, ITC, Tata Steel, Bajaj Finance and Bajaj Auto are likely to announce their March 2018 quarter earnings later this week.

India's retail inflation came in at 4.58 percent in April from March's 4.28 percent as oil prices firmed up, data released by statistics office showed. Retail inflation, measured by Consumer Price Index (CPI) had fallen to 2.99 percent in April 2017. CPI is the main price gauge that the Reserve Bank of India (RBI) tracks. March's data is an indication that prices are inching closer to the apex bank's upper tolerance level of inflation at 6 percent. Last month, the RBI brought down its January-March (2017-18) inflation projection to 4.5 percent from at 5.1 percent earlier. It also slashed CPI inflation estimate to 4.7-5.1 percent in April-September, 2018-19 and 4.4 percent in the next half of the year, including the impact of house rent allowance.

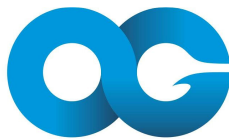
The rate of Wholesale Price Index (WPI)-based inflation hit a four-month high in April, as food inflation beat deflationary trends from the month before and energy prices saw a sudden rise. According to official data released on Monday, the WPI rose to 3.18 per cent in April, up from the 2.47 per cent rise seen in March and the 3.85 per cent rise in April last year. Wholesale inflation had been falling since November, last year.

Global Markets

Prospects of a thaw in US-China trade tensions supported global stocks on Monday, as US President Donald Trump pledged to help ZTE Corp "get back into business, fast" after a US ban crippled the Chinese technology company, while oil prices retreated from highs.

The MSCI world equity was up 0.1%, holding at its highest level in seven weeks. European stocks were broadly flat as energy stocks and financials weighed.

Stocks in Asia were also upbeat. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.5%, while Japan's Nikkei also tacked on 0.5%. Shanghai's SSE Composite index rose 0.3% while the blue-chip rallied 0.9%. Hong Kong's Hang Seng index climbed 1.4%.



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For research related queries contact:

Mr. Akash Jain – Vice President (Research) at, 022-67160431 (D)

CIN: L74140MH1986PLC041941

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Website: www.ajcononline.com

Corporate and Broking Division

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062

Registered Office:

101, Samarth, Off. Hinduja Hospital, 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai – 400016. Tel: 022-24460335/36/40